

**REVIEW REPORT ON STATEMENT OF NET CAPITAL BALANCE
TO THE CHIEF EXECUTIVE OFFICER OF
M/S. TRUST SECURITIES AND BROKERAGE LIMITED**

Introduction

We have reviewed the accompanying Statement of Net Capital Balance **M/s. Trust Securities and Brokerage Limited** as at June 30, 2021 and notes to the Statement of Net Capital Balance. Management is responsible for the preparation of the statement in accordance with the requirements of the Second Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 (the Regulations) issued by the Securities & Exchange Commission of Pakistan (SECP). Our responsibility is to express a conclusion on the statement based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial information Performed by the Independent Auditor of the Entity' which applies to review of historical financial information performed by the independent auditor of the Securities Broker. A review of historical financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying statement is not prepared, in all material respects, in accordance with the requirements of Second Schedule of the Regulations.

Other Matter - Restriction on Distribution and Use

Our report is intended solely for **M/s. Trust Securities and Brokerage Limited**, SECP, Pakistan Stock Exchange and National Clearing Company of Pakistan Limited and should not be distributed to any other parties. Our conclusion is not modified in respect of this matter.



Reanda Haroon Zakaria & Company
Reanda Haroon Zakaria & Company
Chartered Accountants

**Engagement Partner:
Muhammad Yameen**

Place: Karachi

Dated: September 17, 2021

TRUST SECURITIES AND BROKERAGE LIMITED
CALCULATION OF NET CAPITAL BALANCE
AS AT ENDED JUNE 30, 2021

	<i>Note</i>	<i>Rupees</i>
<u>Current Assets</u>		
Cash in hand	2	473,187
Cash at bank		
Balance pertaining to brokerage house	2	1,065,138
Balance pertaining to clients	2	97,758,000
		98,823,138
		99,296,325
Margin deposited with NCCPL	3	267,154,476
Receivable against margin financing		78,091,508
Trade Receivables		
Book value	4	84,012,514
Less: Overdue for more than 14 days		(15,614,992)
		68,397,522
Other receivables	6	7,667,763
Investment in listed securities		
Securities on the exposure list marked to market		20,565,180
Less: 15% discount	5	(3,084,777)
		17,480,403
Securities purchased for client where payment has not been received in 14 days		6,495,230
Total Current Assets	A	544,583,227

Current Liabilities

Trade Payables		
Book value		153,066,515
Less: Overdue for more than 30 days		(19,856,379)
		133,210,136
Other liabilities	7	166,114,037
Total Current Liabilities	B	299,324,173
NET CAPITAL BALANCE	A minus B	245,259,054



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Chief Executive Officer

TRUST SECURITIES AND BROKERAGE LIMITED
NOTES TO THE NET CAPITAL BALANCE
AS AT JUNE 30, 2021

1 BASIS OF ACCOUNTING

This net capital balance have been prepared under the historical cost convention. Further, accrual basis of accounting is followed, except for investment in listed securities which are stated at market value.

2 This represents the balance in client account and balance in house account

3 This represents margin deposits with NCCPL:

4 This represents securities held on behalf of client where payments is overdue for more than 14 days.

5 This represents 15% discount on investment as per net capital guidelines.

6 OTHER RECEIVABLES

Rupess

Receivable from PMEX	1,371,714
Markup receivable against leverage products	3,130,829
Markup receivable against Saving Account	6,420
Retained profit future contract from NCCPL	1,414,865
Other receivables	1,743,935
	<u>7,667,763</u>

7 OTHER LIABILITIES

Retirement benefits	1,636,473
Accrued and other liabilities	53,219,222
Accrued mark up	1,773,728
Withholding tax payable	5,863,943
Capital gain tax payable	28,797,875
Current portion of lease obligation	6,318,650
Short term borrowings	37,110,437
Provision for taxation	11,537,330
Trade payables which are over due for more than 30 days	19,856,379
	<u>166,114,037</u>



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Chief Executive Officer